

**MINUTES  
REGULAR MEETING  
RETIREMENT BOARD OF TRUSTEES  
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF BATON ROUGE  
AND PARISH OF EAST BATON ROUGE  
JULY 25, 2019**

The regular meeting of the Retirement Board of Trustees was held in the boardroom of the Retirement Office at 209 St. Ferdinand Street, and was called to order at 10:03 a.m. by Board Chairman Ms. Marsha Hanlon. Members present: Mr. Mark LeBlanc, Mr. Joseph Toups, Mr. David West, and Mr. Brian Bernard. Absent: Chief Richard Sullivan and Sgt. Neal Noel. Staff present: Mr. Jeffrey Yates, Mr. Russell Smith, Mr. Mark Williams, and Mr. Kyle Drago. Others present: Ms. Denise Akers – legal counsel.

Mr. Kyle Drago formally called the roll.

There was a call for public comments prior to introduction of the first agenda item. There were no public comments.

The chairman began by introducing Item 1, Reading and Approval of Minutes, and noted that there were minutes being considered for approval from the regular meeting of June 27, 2019, and called for a motion.

**Motion by Mr. LeBlanc, seconded by Mr. West to suspend the reading of, and approve the minutes of the regular meeting of June 27, 2019 as presented.**

**No discussion and no objections.**

**Motion passed by those members present.**

Under Item 2, Disability, there were no applications for consideration for disability retirement.

The next item on the agenda was Item 3, Benefits Report, and the chairman called on Mr. Yates to present the report. Mr. Yates stated that there was nothing unusual that needed to be pointed out, that the report was in order as presented, and that the staff would answer any questions.

**Motion by Mr. Bernard, seconded by Mr. LeBlanc to approve the Benefits Report as presented.**

**No discussion and no objections.**

**Motion passed by those members present.**

The next item on the agenda was Item 4, DROP Notifications Report, and it was noted that this report was provided for informational purposes only, and no action was necessary.

The chairman then moved to Item 5, Consultant Reports, and under 5A, Status on Pending Legal Matters recognized Ms. Akers. Ms. Akers stated that she had sent information out to the Board members yesterday regarding the proposed Retirement Ordinance language changes addressing accrued liability legacy costs, and that regarding the date of August 14<sup>th</sup>, she had confirmed that Mr. Bob Klausner and Ms. Shelley Johnson had confirmed they could be available to meet that day. She noted that Ms. Johnson would have the accrued liability amount calculated in accordance with the proposed ordinance language prior to that date, pending receipt of information from the Finance Department. Ms. Akers also presented a draft of a cover letter she proposed to send out to the Metro Council members in advance of the Council meeting. Mr. LeBlanc stated that he had sent a letter to Councilman Scott Wilson explaining the issue and asking for his support at the Council level. He also noted that the item was introduced to the council at yesterday's meeting. It was also noted that the Parish Attorney's Office had deferred to CPERS' legal team on this matter. Mr. Toups stated that he had personally spoken to two Council members. Mr. LeBlanc made it clear that St. George would be asked to assume part of the past service costs, which would not include any of the normal costs of the pension plan. There was a brief discussion regarding a recent news article in the Baton Rouge Business Report, which erroneously reported the funding level of CPERS as the second worst in the country. Ms. Hanlon stated that the City-Parish had for many years funded the actuary's recommended rate of contributions for the system, although this was not the case for the PGT. Ms. Akers then requested that a motion be passed to go into executive session for the purpose of discussing an attorney/client privilege issue relative to Attorney General Opinion 180144.

**Motion by Ms. Hanlon, seconded by Mr. West to go into executive session, as requested by legal counsel, to discuss an attorney/client privilege issue.**

**No discussion and no objections.**

**Motion passed by those members present.**

Executive session began at 10:18 a.m.

**Motion by Mr. Toups, seconded by Mr. West to resume regular session at 11:17 a.m.**

**No discussion and no objections.**

**Motion passed by those members present.**

**Motion by Mr. LeBlanc, seconded by Mr. West to proceed with all steps recommended by general and special legal counsel, Denise Akers and Bob Klausner, in consultation with Administrative Director Jeff Yates regarding the St. George withdrawal liability issue.**

**No discussion and no objections.**

**Motion passed by those members present.**

Under Item 6, Committee Reports, there were no reports on the agenda.

Moving to Item 7, Staff Reports, the chairman noted that under Item 7C there were invoices from the Law Offices of Akers & Wisbar, LLC for the month of June, which Mr. Smith verified as being in order as presented.

**Motion by Mr. LeBlanc, seconded by Mr. Bernard to approve payment for the charges to the Law Offices of Akers & Wisbar, LLC as presented.**

**No discussion and no objections.**

**Motion passed by those members present.**

Under Item 7D there was an invoice from the law firm of Tarcza & Associates, LLC, which Mr. Yates stated was for a follow up conversation with CPERS' independent auditors, and was in order as presented.

**Motion by Mr. LeBlanc, seconded by Mr. Toups to approve payment for the charges to the law firm of Tarcza & Associates, LLC as presented.**

**No discussion and no objections.**

**Motion passed by those members present.**

Moving to Item 7F, Investment Manager/Consultant Invoices, there were a number of investment manager invoices for review and verified by Mr. Smith as being in compliance with the manager contracts. Ms. Hanlon noted that she would like more information regarding a type of fee assessed by managers that the managers retain, and whether or not that could be a factor for the CPERS portfolio. She stated that the State of Maryland had passed requirements that the managers fully disclose these types of fees. Mr. Yates stated that on the private equity side there was something known as carried interest that can be controlled somewhat by the manager or general partner. Ms. Hanlon asked for more information regarding how these fees may potentially affect fees and performance for the system's portfolio.

Under 7G, Cash Activity Report, Mr. Drago stated that there was no unusual activity for the month, and that the budget comparison report was included in the packets. Ms. Hanlon questioned one budget item regarding charges for Workers Compensation related to medical claims from former CPERS employees, and asked the staff to double check the applicability of the claims.

The next item on the agenda was Item 8, Unfinished Business, and the chairman noted Item 8A, Update on Action Taken Regarding Withdrawal Liability and CPERS Ordinance Language Changes, and Public Hearing Scheduled for August 14, 2019. Mr. LeBlanc stated that this item had been covered earlier in the meeting.

Under Item 8B, 2018 Professional Consultant Evaluations, the chairman reminded the Board members to turn in their evaluations to Mr. Smith as soon as possible.

The chairman then moved to Item 9, New Business, and under 9A, Presentation of the 2020 Retirement Office Budget – CPERS Original Trust, she recognized Mr. Smith who explained how some of the estimates were made. He noted one promotion being proposed for a staff member, but that the position was allotted for the higher position already. There was some discussion regarding the level of legal fees, since the St. George matter is expected to be an ongoing issue for some time. Mr. Smith stated that he also provided for travel and training funds, considering the changes that may be implemented in the investment portfolio in the near future. He also noted some costs budgeted for the maintenance of the building such as painting and maintenance. There was a brief discussion regarding the adjoining building next door, and that the renovations had seemed to stop almost two months ago. Mr. Toups suggested allocating a separate line item under Legal Expenses, for the budgeting and expenditures related to the St. George item, since this item could generate considerable costs both now and into the future.

**Motion by Mr. LeBlanc, seconded by Mr. Bernard to approve the proposed 2020 Retirement Office budget for the original CPERS trust, with the amendment for Legal Services as discussed.**

**No discussion and no objections.**

**Motion passed by those members present.**

The chairman then moved to Item 9B, Appointing Election Committee for Regular Employee Representative Election for Term Beginning 01/01/2020, and noted that this was for Mr. West's position. Mr. Yates stated that the committee primarily approves rules and regulations and responds to any challenges to the election process. The chairman agreed to serve in this position along with Mr. LeBlanc and Mr. Toups. There was a brief discussion regarding the future of a police representative on the Board, as the number of active police members continues to decline below 100.

Under Item 10, Administrative Matters, there were no matters to address.

The chairman then continued to Item 11, Police Guarantee Trust Matters, and under Item 11A, PGT Benefits Report, recognized Mr. Yates who stated that there were no items on the report this month.

Under Item 11B, the chairman noted that the PGT DROP Notifications Report was provided for the Board's information, and that no action was required.

There were no matters under Item 11C, Consultants' Reports.

There were a number of investment manager invoices under Item 11D.1 for the Board's review and verified by Mr. Smith as being in compliance with the manager contracts.

Under Item 11D.3, PGT Cash Activity Report, Mr. Drago stated there was no unusual activity for the month, and that the budget comparison report was attached.

Under Items 11E New Business, the chairman introduced item 11.E.1, Presentation of the 2020 Retirement Office Budget – Police Guarantee Trust, and noted that this item had been discussed under Item 9, and called for a motion.

**Motion by Mr. Bernard, seconded by Mr. Toups to approve the proposed 2020 Retirement Office budget for the Police Guarantee Trust as presented.**

**No discussion and no objections.**

**Motion passed by those members present**

Under Items 11F Unfinished Business, and 11G, there were no matters to address.

Included in the Board packets were notices for the upcoming annual LAPERS conference, and Board members were encouraged to attend if possible.

Seeing no further items on the agenda, the chairman called for a motion to adjourn.

**Motion by Mr. LeBlanc, seconded by Mr. Bernard to adjourn at 11:45 a.m.**

**No discussion and no objections.**

**Motion passed by those members present.**

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**MARK LEBLANC**  
**VICE-CHAIRMAN, RETIREMENT BOARD OF TRUSTEES**

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**RUSSELL SMITH**  
**ASSISTANT RETIREMENT ADMINISTRATOR**